

14421 County Rd. 10 • Ft. Lupton, Colorado 80621 • (303) 857-9999 • FAX (303) 857-0577 • E-MAIL Permitco 1@aol.com

March 10, 2006

Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, UT 84114-5801 Attn: Minerals

Re:

Gasco Production Company

Wilkin Ridge Federal #14-17-10-17

659' FSL and 656' FWL

SW SW Section 17, T10S - R17E

Uintah County, Utah

Gentlemen:

Enclosed please find one copy of the Application for Permit to Drill, along with one copy of the Onshore Order No. 1 which was filed with the BLM in Vernal, Utah.

If you should need additional information, please don't hesitate to contact me. Approved copies of the A.P.D. should be sent to Permitco Inc. at the address shown above.

Sincerely,

PERMITCO INC.

Lisa Smith Consultant for

Gasco Production Company

Smill

Enc.

cc: Gasco Production Company - Englewood, CO

Shawn Elworthy - Roosevelt, UT

RECEIVED MAR 1 3 2006

DIV. OF OIL, GAS & MINING

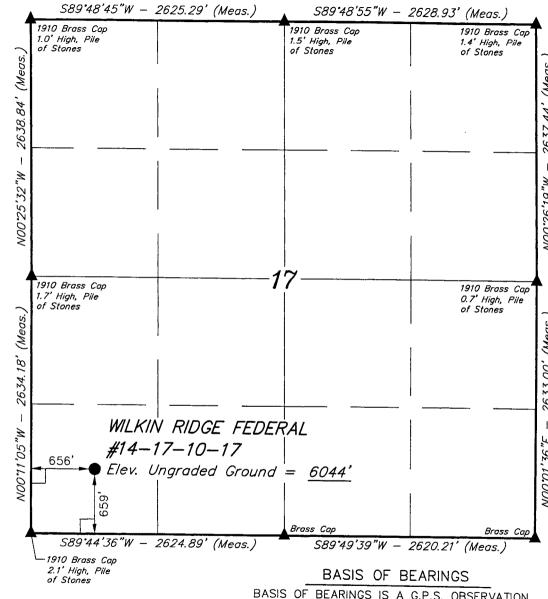
STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

	ADDI ICATION FOR	DEDMIT '	TO DOIL I	5. MINERAL LEASE NO.:	6. SURFACE:		
APPLICATION FOR PERMIT TO DRILL				UTU-75082 7. IF INDIAN, ALLOTTEE OR T	BLM		
1A. TYPE OF WO	1A. TYPE OF WORK: DRILL 🛣 REENTER 🗆 DEEPEN 🗆				RIBE NAME:		
	OU CONTROL OF STATE	OIN	OLE ZONE 🕶 NULTURE ZONE	N/A 8. UNIT OF CA AGREEMENT NA	AME:		
B. TYPE OF WE	LL: OIL 🗍 GAS 💢 OTHER	SIN	GLE ZONE MULTIPLE ZONE	Wilkin Ridge			
2. NAME OF OPE	RATOR:			9. WELL NAME and NUMBER:			
	oduction Company			Wilkin Ridge Feder	al #14-17-10-17		
3. ADDRESS OF			PHONE NUMBER:	10. FIELD AND POOL, OR WIL	_		
	ss Drive East, Suite #100, Englewo	od, CO 80112	303-483-0044	Wilkin Ridge C (NSHIP RANGE		
4. LOCATION OF	582311	X CEOLEMA	39,938466	MERIDIAN:			
AT SURFACE:	CM CM	nd 656' FWL		Sec. 17, T10S-R17E	<u>-</u>		
AT PROPOSED	PRODUCING ZONE: SW SW	1624	-110.036614				
14. DISTANCE IN	MILES AND DIRECTION FROM NEAREST TOWN OR			12. COUNTY:	13. STATE:		
	imately 24.4 miles southeast of My			Duchesne	UTAH		
15. DISTANCE TO	D NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBE	ER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO			
	659'		1276.52	40 Acres: SW	SW		
	O NEAREST WELL (DRILLING, COMPLETED, OR R) ON THIS LEASE (FEET):	19. PROPO	OSED DEPTH:	20. BOND DESCRIPTION:			
	2650'		13,400'	Bond No. UT-	1233		
21. ELEVATIONS	(SHOW WHETHER DF, RT, GR, ETC.):	22. APPRO		23. ESTIMATED DURATION:			
· - ·	6044' GL		ASAP	35 Days	*****		
24.	PROP	OSED CASIN	IG AND CEMENTING PROG	RAM			
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, C	QUANTITY, YIELD, AND SLURRY WEIGI	нт		
17-1/2"	13-3/8", H-40, 48#	200'					
12-1/4"	8-5/8", J-55, 32#	3,745'					
7-7/8"	4-1/2", P-110, 13.5#	13,400'	523 sx Hi-Lift, 11.5 ppg, 3.05	yield & 1429 sx 50/50 Poz, 1	4.1 ppg, 1.28 yield		
			O W Halle L	Alteria i minimi in	, p.		
			1 11/12-111-	LITIAL-TIGHT HO	jeu.		
	<u></u>						
25.		A	TTACHMENTS				
VERIFY THE FO	LLOWING ARE ATTACHED IN ACCORDANCE WITH T	HE UTAH OIL AND	GAS CONSERVATION GENERAL RULES:				
WELL PI	_AT OR MAP PREPARED BY LICENSED SURVEYOR (OR ENGINEER	COMPLETE DRILLING PRO	OGRAM			
EVIDEN	CE OF DIVISION OF WATER RIGHTS APPROVAL FOR	R USE OF WATER	FORM 5, IF OPERATOR IS	PERSON OR COMPANY OTHER THAN	THE LEASE OWNER		
AGENT: P	ermitCo Inc.			AGENT'S PHONE NO.:	303-857-9999		
NAME (PLEASE	PRINT) Lisa Smith		TITLE Agen	t for Gasco Production Co	ompany		
01001471175	Lea Smill	/	_{DATE} Marc	h 10, 2006			
SIGNATURE	July Smith		DATE				
(This space for Sta	ate use only)						
API NUMBER ASS	SIGNED: 13-013-330	F8 _	APPROVAL:				
ALL HOMBER ADS		- 	Approved by the	T DEAL	WED		
	. shie		Utah Division of Oil, Gas and Minin	RECE	IACA		
(11/2001)	Federal Approval of this Action is Necessary	-	(See instructions on Reverse Side),	9 MAR 1:	3 2006		
	Federal Necessary	D.	ate: U4760-04				
	Action is	B	- th + mil	DIV. OF OIL, G			

T10S, R17E, S.L.B.&M.



BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

= 90° SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)

LATITUDE = 39.56'18.45'' (39.938458) LONGITUDE = $110^{\circ}02'14.05"$ (110.037236)

(AUTONOMOUS NAD 27)

LATITUDE = 39'56'18.58" (39.938494)

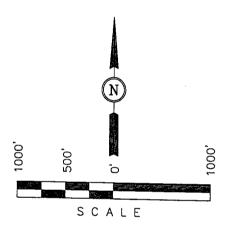
LONGITUDE = $110^{\circ}02'11.51"$ (110.036531)

GASCO PRODUCTION COMPANY

Well location. WILKIN RIDGE FEDERAL #14-17-10-17, located as shown in the SW 1/4 SW 1/4 of Section 17, T10S, R17E, S.L.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE SW 1/4 OF SECTION 20, T10S, R17E, S.L.B.&M. TAKEN FROM THE WILKIN RIDGE, QUADRANGLE. UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6275 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT, WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME, OR UNDER MY SUPERVISION AND THAT THE SAME ARESTRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELL

> RECISTERED LAND SURVEYOR REGISTRATION NO. 161319

UINTAH ENGINEERING LAND SURVEYING 85 SOUTH 200 EAST

(435) 789 - 1017

	,
1" = 1000'	DATE SURVEYED: DATE DRAWN: 10-03-05 10-13-05
PARTY J.W. B.S. P.M.	REFERENCES G.L.O. PLAT
WEATHER	FILE
COOL	GASCO PRODUCTION COMPANY

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore Federal and Indian Oil & Gas Leases

Wilkin Ridge Federal #14-17-10-17 659' FSL and 656' FWL SW SW Section 17, T10S - R17E **Duchesne County, Utah**

Prepared For:

Gasco Production Company

By:

CONTRACTOR HOLE PERMITCO INC. 14421 County Road 10 Ft. Lupton, Colorado 80621 303/857-9999

Copies Sent To:

3 - Bureau of Land Management - Vernal, UT tah Division of Oil, Gas & Mining - SLC, UT

2 - Gasco Production Company - Englewood, CO

1 - Shawn Elworthy - Roosevelt, UT



APPLICATION FOR PERMIT TO DRILL OR REENTER

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

THE	tonowing, completed in accordance with the requirements of crisical contains and case of the 1,5 cm.
1.	Well plat certified by a registered surveyor. Attached.
2.	A Drilling Plan Attached.
3.	A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the Appropriate Forest Service Office. See Surface Use Plan Attached.
4.	Bond to cover the operations unless covered by an existing bond on file (see Item 20). Bond coverage for this well is provided by Gasco Production Company under their BLM Bond No. Bond No. UT-1233
5.	Operator certification. Please be advised that Gasco Production Company is considered to be the operator of the above mentioned well. Gasco Production Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.
6.	Such other site specific information and/or plans as may be required by the authorized officer.

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DRILLING PROGRAM

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ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. <u>ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS</u>

Formation	Depth	Subsea
Wasatch	5,195'	860'
Mesaverde	9,450'	-3,395'
Castlegate	12,125'	-6,070'
Blackhawk	12,375'	-6,320'
Aberdeen	13,085'	-7,030'
T.D.	13,400'	-7,345

2. <u>ESTIMATED DEPTH OF ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:</u>

Substance	Formation	Depth
Gas	Wasatch	5,400' - 9,450'
Gas	Mesaverde	9,450' - 12,125'
Gas	Blackhawk	12,375' - 13,330'

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.



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3. PRESSURE CONTROL EQUIPMENT

Gasco Production Company's minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double with annular, 5000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.



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BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 5000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is <u>not</u> to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit <u>all</u> tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. PROPOSED CASING AND CEMENTING PROGRAM:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).

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DRILLING PROGRAM

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- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.



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DRILLING PROGRAM

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m. The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Туре	New/Used
Conductor	0-200'	17-1/2"	13-3/8"	48#	H-40		New
Surface	0-3,745'	12-1/4"	8-5/8"	32#	J-55	ST&C	New
Production	0-13,400'	7-7/8"	4-1/2"	13.5#	P-110	LT&C	New

- n. Casing design subject to revision based on geologic conditions encountered.
- o. The cement program will be as follows:

Conductor	Type and Amount
TOC @ Surface	200 sx Premium Type 5 mixed @ 15.6 ppg, 1.18 yield
Surface	Type and Amount
TOC @ Surface	Lead: 636 sx Hi-Lift mixed @ 11 ppg, 3.91 yield Tail: 185 sx 10-2 RFC mixed @ 14.2 ppg, 1.63 yield
Production	Type and Amount
TOC @ 2,500'	Lead: 523 sx Hi-Lift mixed @ 11.5 ppg, 3.05 yield Tail: 1429 sx 50:50 Poz mixed @ 14.1 ppg, 1.28 yield

- p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Manager within 30 days after the work is completed.



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DRILLING PROGRAM

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- 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve.

5. MUD PROGRAM

a. The proposed circulating mediums to be employed in drilling are as follows:

Interval	Mud Type	Mud Wt.	Visc.	F/L	рН
0 - 200'	Fresh Water	8.33	1		7
200' - 3,745'	Fresh Water	8.33	1		7-8
3,745' - 13,400'	Fresh Water/DAP	9.0-11.5	30-40	12-20	8

There will be sufficient mud on location to control a blowout should one occur. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

b. Mud monitoring equipment to be used is as follows:



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- 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. EVALUATION PROGRAM

The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

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DRILLING PROGRAM

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- b. The logging program will consist of a Schlumberger Platform Express or equivalent to be run from TD to Base of Surface Casing.
- c. No cores are anticipated.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cutting, fluids, and/or gases0 will be submitted when requested by the authorized officer (AO).
- e. The anticipated completion program is as follows: Perform mulitstage fracs and complete all productive Blackhawk, Mesaverde and Wasatch zones present in wellbore. Produce all zones commingled. If required, the method used to account for and to allocate production from each pool so commingled will be by individual interval hydrocarbon pore volume calculation.
 - Gasco Production Company is the owner of all contiguous oil and gas leases or drilling units overlying the pools, and does herewith waive it's right to the 15-day period of objection per UDOGM Rule 649-3-22(3). Gasco respectfully requests that the Division therefore accept this NOI in lieu of the required affidavit with regard to notification of the aforementioned owners.
- f. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

7. <u>ABNORMAL TEMPERATURES OR PRESSURES</u>

- a. The expected bottom hole pressure is 7504 psi. The maximum bottom hole temperature anticipated is 228 degrees F.
- b. No hydrogen sulfide gas is anticipated. Abnormal pressures will be controlled with mud weight and 5000# BOP and rotating head.



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DRILLING PROGRAM

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8. ANTICIPATED STARTING DATES AND NOTIFICATION OF OPERATIONS

- a. Drilling is planned to commence upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 35 days.
- c. The BLM in Vernal, Utah shall be notified of the anticipated date of location construction commencement and of anticipated spud date.
- d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.
- g. <u>Immediate Report:</u> Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- h. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- i. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- j. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the



ONSHORE ORDER NO. 1 Gasco Production Company Wilkin Ridge Federal #14-17-10-17 659' FSL and 656' FWL SW SW Section 17, T10S - R17E Duchesne County, Utah

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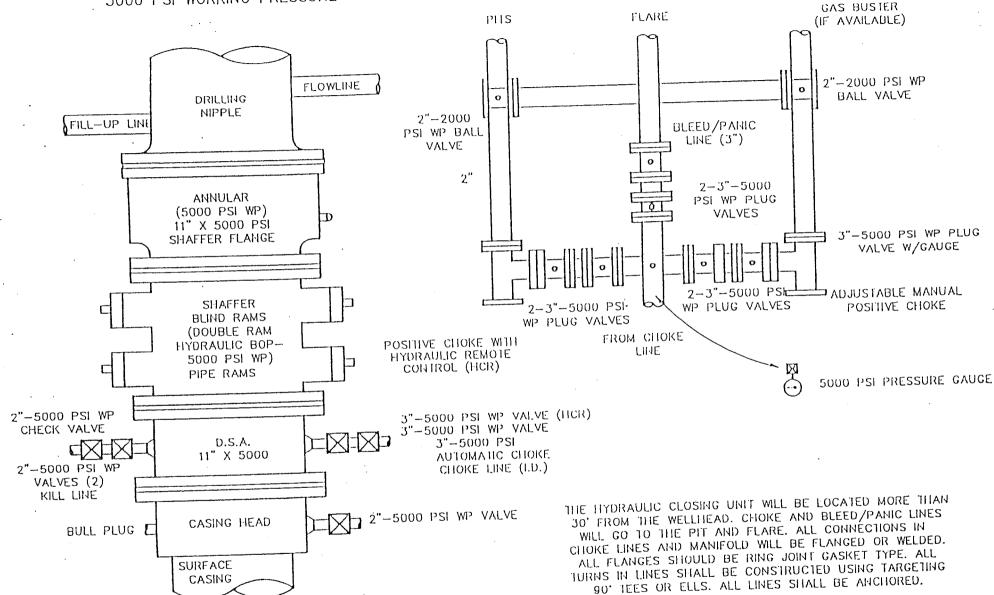
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period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

- Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well k. evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to ١. the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.).
- A first production conference will be scheduled within 15 days after receipt of the first m. production notice.
- No well abandonment operations will be commenced without the prior approval of the AO. n. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.
- Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility ٥. to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

Phone: 435/781-4400	Bureau of Land Management 170 South 500 East Vernal, Utah 84078 After Hours:	Fax: 435/781-4410
Matt Baker	Petroleum Engineer	435/828-4470
Michael Lee	Petroleum Engineer	435/828-7875





CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-75082

SURFACE USE PLAN

Page 1

ONSHORE OIL & GAS ORDER NO. 1 NOTIFICATION REQUIREMENTS

Location Construction -

Duchesne County, Utah

forty-eight (48) hours prior to construction of location and access roads.

Location Completion -

prior to moving on the drilling rig.

Spud Notice

at least twenty-four (24) hours prior to spudding the well.

Casing String and

Cementing

twenty-four (24) hours prior to running casing and

cementing all casing strings.

BOP and Related

Equipment Tests

twenty-four (24) hours prior to initiating pressure tests.

First Production -

Notice

within five (5) business days after new well begins or

production resumes after well has been off production for more than

ninety (90) days.

The onsite inspection for the subject well site was conducted on Tuesday, November 1, 2005 at approximately 10:20 a.m. Weather conditions were clear, cool and sunny. In attendance at the onsite inspection were the following individuals:

Karl Wright
Todd Megrath
Lisa Smith

Natural Resource Specialist

Bureau of Land Management

a Smith Permitting Agent

Wildlife Biologist SWC

SWCA Permitco Inc.

Jesse Walton

Surveyor

Uintah Engineering and Land Surveying

Shawn Elworthy

Field Supervisor

Gasco Production Company

1. EXISTING ROADS

a. The proposed well site is located approximately 24.4 miles south of Myton, Utah.



Lease No. UTU-75082

SURFACE USE PLAN Page 2

b. Directions to the location from Myton, Utah are as follows:

Proceed in a southeasterly direction from Myton, Utah for approximately 12.7 miles to the Castle Peak Mine. Stay right and continue southerly for 6.6 miles to a fork in the road. Turn right and proceed southwesterly for 1.2 miles until reaching a second fork in the road. Turn right and proceed southwesterly 2.8 miles. Continue southwesterly on an existing 2-track 0.5 miles. Turn right onto the proposed access and proceed northerly 0.6 miles until reaching the proposed location.

- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to existing main roads will not be required.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. PLANNED ACCESS ROADS

- a. There will be 0.5 miles of existing 2-track to be upgraded and 0.6 miles of new access to be constructed.
- b. The maximum grade is approximately 8%.
- c. No turnouts are planned.
- d. No culverts will be necessary. Low water crossings will be installed as deemed necessary.
- e. The access road was centerline surveyed at the time of staking.
- f. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.



ONSHORE ORDER NO. 1
Gasco Production Company
Wilkin Ridge Federal #14-17-10-17
659' FSL and 656' FWL
SW SW Section 17, T10S - R17E
Duchesne County, Utah

Lease No. UTU-75082

SURFACE USE PLAN Page 3

- g. No cattle guards will be necessary.
- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- i. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).
- j. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- k. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- 1. No federal right of ways will be necessary because all access is within the Wilkin Ridge Unit.
- m. No road right of way will be required since all new access is within the Wilkin Ridge Unit.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION. (See Map "C")

- a. Water wells none
- b. Injection wells none
- c. Producing wells two



ONSHORE ORDER NO. 1
Gasco Production Company
Wilkin Ridge Federal #14-17-10-17
659' FSL and 656' FWL
SW SW Section 17, T10S - R17E
Duchesne County, Utah

Lease No. UTU-75082

SURFACE USE PLAN

Page 4

- d. Drilling wells none
- e. Shut-in wells one
- f. Temporarily abandoned wells none
- g. Disposal wells -none
- h. Abandoned wells none
- i. Dry Holes none

4. LOCATION OF TANK BATTERIES AND PRODUCTION FACILITIES.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Carlsbad Canyon. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. If production is established, a production facility diagram will be submitted via Sundry Notice.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the separator. Meter runs will be housed and/or fenced.
- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter

ONSHORE ORDER NO. 1
Gasco Production Company
Wilkin Ridge Federal #14-17-10-17
659' FSL and 656' FWL
SW SW Section 17, T10S - R17E
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Lease No. UTU-75082

SURFACE USE PLAN Page 5

calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.

- g. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- h. Any necessary pits will be properly fenced to prevent any wildlife entry.
- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- I. The road will be maintained in a safe useable condition.
- m. Produced water will be stored in a 300 bbl heated, insulated tank, then hauled to a commercial disposal site such as Disposal Inc., or Brennan Bottom.
- n. Pipelines will follow the route shown on Map D. See Pipeline detail attached. No pipeline right of way will be necessary since all proposed pipelines are within the Wilkin Ridge Unit.

5. LOCATION AND TYPE OF WATER SUPPLY

- a. The proposed water source will be the Nebecker Water Station in Myton. The Water Use Claim # is 43-1721.
- b. Water will be hauled by Nebecker Water Service to the location over the access roads shown on Maps A and B.
- c. No water well will be drilled on this lease.

Lease No. UTU-75082

SURFACE USE PLAN

Page 6

6. SOURCE OF CONSTRUCTION MATERIAL

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.

7. METHODS OF HANDLING WASTE DISPOSAL

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. At the request of the BLM, the reserve pit will be lined with a 12 mil liner. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.



ONSHORE ORDER NO. 1
Gasco Production Company
Wilkin Ridge Federal #14-17-10-17
659' FSL and 656' FWL
SW SW Section 17, T10S - R17E
Duchesne County, Utah

Lease No. UTU-75082

SURFACE USE PLAN Page 7

h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELL SITE LAYOUT

- a. The operator or his/her contractor shall contact the BLM Office at 435/781-4400 forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be located on the west side of the location.
- c. The flare pit will be located on the north side of the reserve pit, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the east side of the location, between Corners 9 and 2. Topsoil along the access route will be wind rowed on the uphill side.
- e. Access to the well pad will be from the south as shown on the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- g. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.
- h. All pits will be fenced according to the following minimum standards:
 - 1. 39 inch net wire shall be used with at least one strand or barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
 - 2. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.

CONFIDENTIAL - TIGHT HOLE ONSHORE ORDER NO. 1 Gasco Production Company Wilkin Ridge Federal #14-17-10-17 659' FSL and 656' FWL

Lease No. UTU-75082

SURFACE USE PLAN Page 8

- 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. PLANS FOR RESTORATION OF SURFACE

Producing Location

SW SW Section 17, T10S - R17E

Duchesne County, Utah

- Immediately upon well completion, the location and surrounding area will be cleared of all a. unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of C. the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.
- Reclamation of unused disturbed areas on the well pad/access road no longer needed for e. operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. The following seed mixture has been requested by the Bureau of Land Management.



Lease No. UTU-75082

SURFACE USE PLAN

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Species	Pounds PLS/Acres
Indian Ricegrass	4
High Crested Wheatgrass	4
Needlegrass	4
Threadgrass	4
TOTAL	12

Seeding will be performed immediately after the location has been reclaimed and the pit has been backfilled, regardless of the time of year. Seed will be broadcast and walked in with a dozer.

f. The topsoil stockpile will be seeded as soon as the location has been constructed with the same recommended seed mix. The seed will be walked in with a cat.

Dry Hole

g. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

Interim Surface Reclamation will be as follows:

- 1. Immediately after final well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production operations.
- 2. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in the reserve pit will be removed. Other waste and spoil materials will be disposed of immediately, weather permitting, upon final well completion.
- 3. If a synthetic, nylon re-enforced, liner is used, the excess liner will be cut off and removed and the remaining liner will be torn and perforated while backfilling the reserve pit.

 Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The liner will be buried to a minimum of four (4) feet deep.



Lease No. UTU-75082

SURFACE USE PLAN Page 10

- 4. The reserve pit will be reclaimed within 180 days from the date of final well completion, weather permitting.
- 5. The reserve pit and that portion of the location not needed for production and storage facilities, and everyday production operations, will be reshaped to the approximate original contours to the extent possible. This will be completed by backfilling and crowning the pit to prevent water from standing. Topsoil will be re-spread up to the rig anchor points, excluding the area needed for production and storage facilities and everyday production operations. Re-seeding, using appropriate reclamation methods, will occur immediately following the re-spreading of topsoil, weather permitting. The Authorized Officer will provide a seed mixture to re-vegetate the reserve pit and other unused disturbed areas at the time of the onsite.

11. SURFACE OWNERSHIP

Access Roads - The majority of the access roads are maintained by the County Road Department or the Bureau of Land Management.

Well pad - The well pad is located on lands managed by the BLM.

12. OTHER INFORMATION

- a. A Class III archeological survey has been conducted by Grand River Institute. A copy of this report will be submitted to the appropriate agencies by Grand River Institute.
- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - -whether the materials appear eligible for the National Register of Historic Places;
 - -the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-75082

SURFACE USE PLAN

Page 11

-a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- c. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- d. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.
- e. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- f. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- g. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- h. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.



CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-75082

SURFACE USE PLAN

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- i. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.
- j. The operator or his contractor shall contact the BLM Offices at 435/781-4400 48 hours prior to construction activities.
- k. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

13. <u>LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION</u>

Permit Matters Drilling & Completion Matters

 PERMITCO INC.
 Gasco Production Company

 14421 County Road 10
 8 Inverness Drive East, Suite 100

 Ft. Lupton, CO 80621
 Englewood, CO 80112

 303/857-9999 (O)
 John Longwell

 303/857-0577 (F)
 303/483-0044 (O)

 Lisa Smith
 303/483-0011(F)

Shawn Elworthy Roosevelt, UT (Cell) 435-823-4272

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by GASCO Energy, Inc. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

November 11, 2005

Date:

Venessa Langmacher - PERMITCO INC.

Authorized Agent for:

Gasco Production Company



PIPELINE INFORMATION Wilkin Ridge Federal #14-17-10-17

- 1. The type of pipeline is a single well flow line.
- 2. The outside diameter (O.D.) of all will be 8 inches maximum.
- 3. The anticipated production through the line is approximately 2000 MCF per day.
- 4. The anticipated maximum test pressure is 1000 psi.
- 5. The anticipated operating pressure is 100-200 psi.
- 6. The type of pipe is steel.
- 7. The method of coupling is welded.
- 8. The pipeline will be laid on surface because of the extremely rocky surface.
- 9. There are no other pipelines to be associated in same right of way.
- 10. There will be other objects to be associated in the same right of way. (Risers, Pig Launchers Pig Traps, meters and other appurtenances as required.)
- 11. The total length of pipeline is approximately 5300 feet see Map D.
- 12. The line will be laid on surface as shown on Map D. Where possible, the pipeline will follow existing or proposed roads.
- 13. The construction width for total surface disturbing activities is 30 feet.
- 14. The estimated total acreage involving all surface disturbing activities is 3.7 acres.
- 15. Any surface disturbance created as a result of the pipeline construction will be reclaimed utilizing the reclamation procedures and seed mixture specified by the Bureau of Land Management.
- 16. The line will be tested with gas pressure to 1000 psi.



GASCO PRODUCTION COMPANY

WILKIN RIDGE FEDERAL #14-17-10-17

LOCATED IN DUCHESNE COUNTY, UTAH SECTION 17, T10S, R17E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

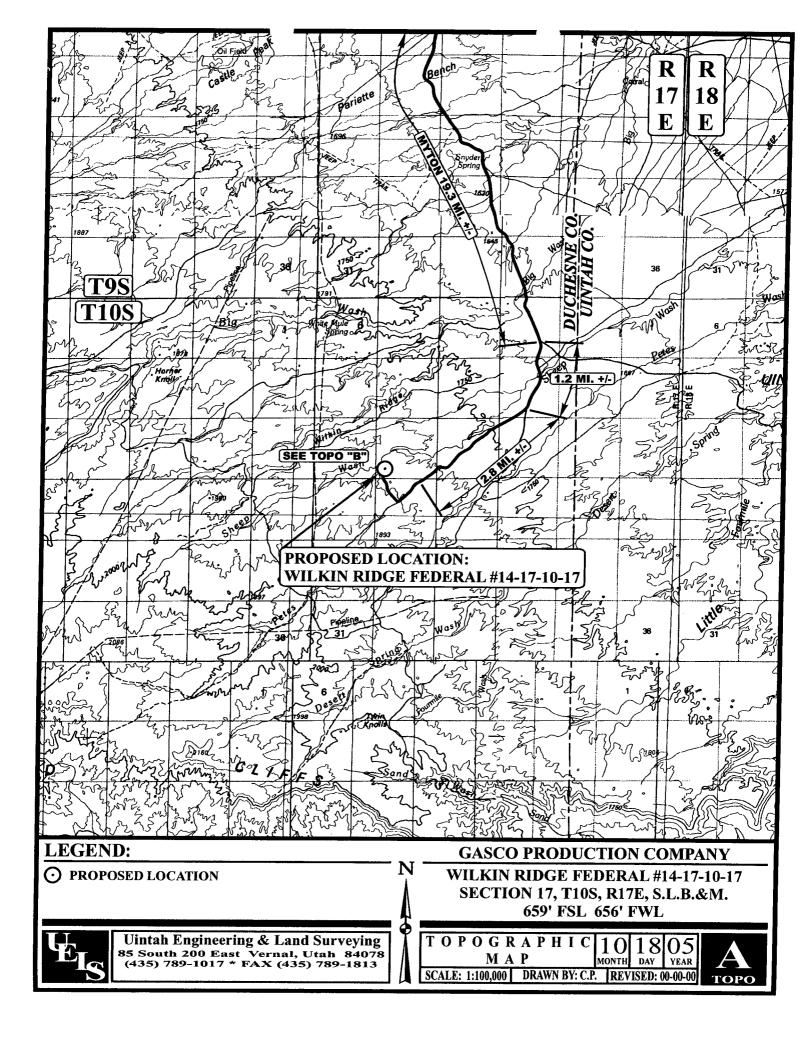
CAMERA ANGLE: NORTHWESTERLY

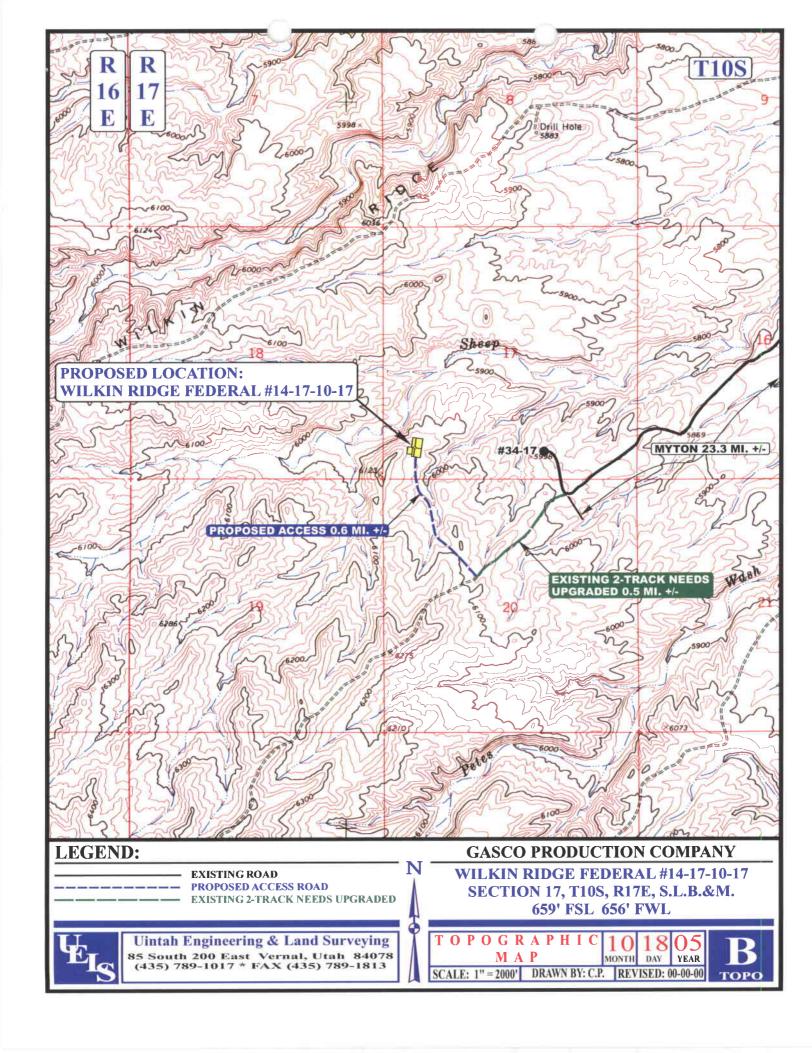


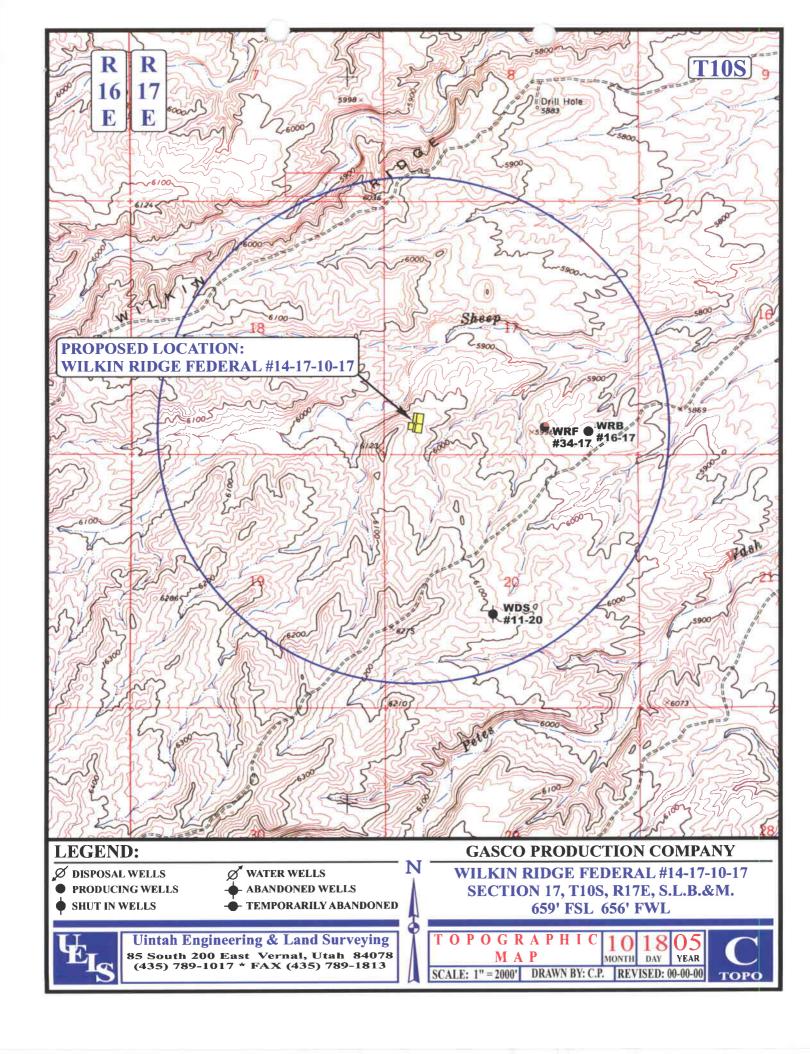


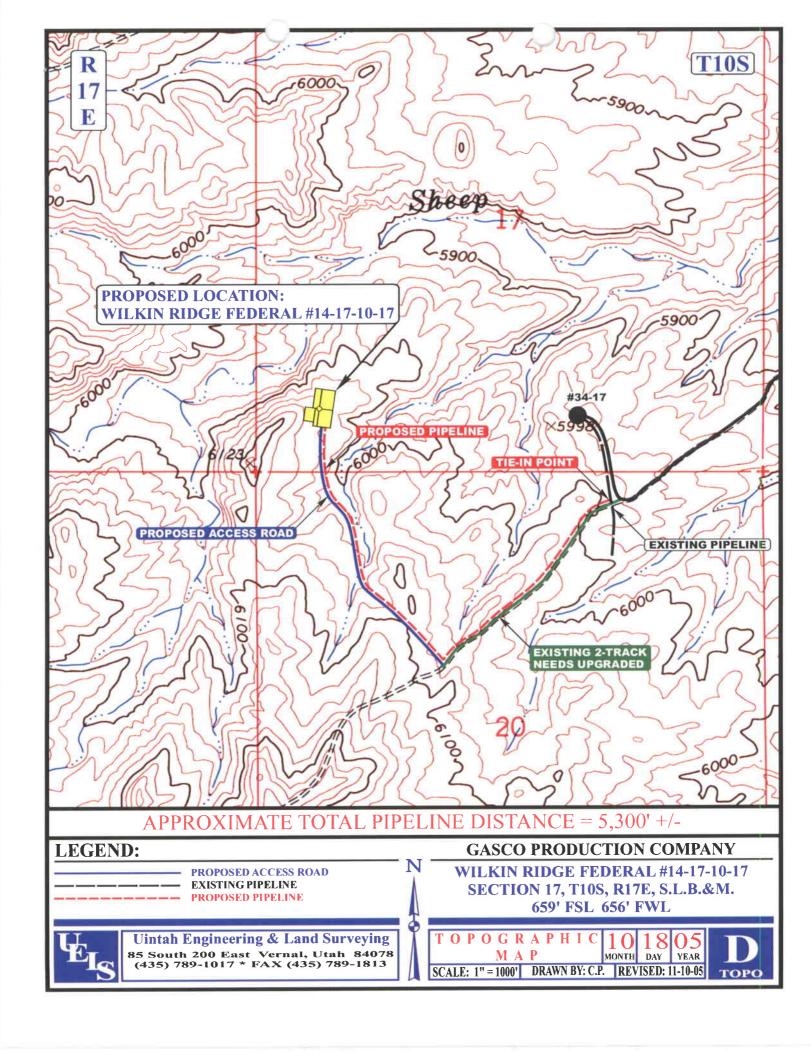
TAKEN BY: J.W. DRAWN BY: C.P. REVISED: 00-00-00

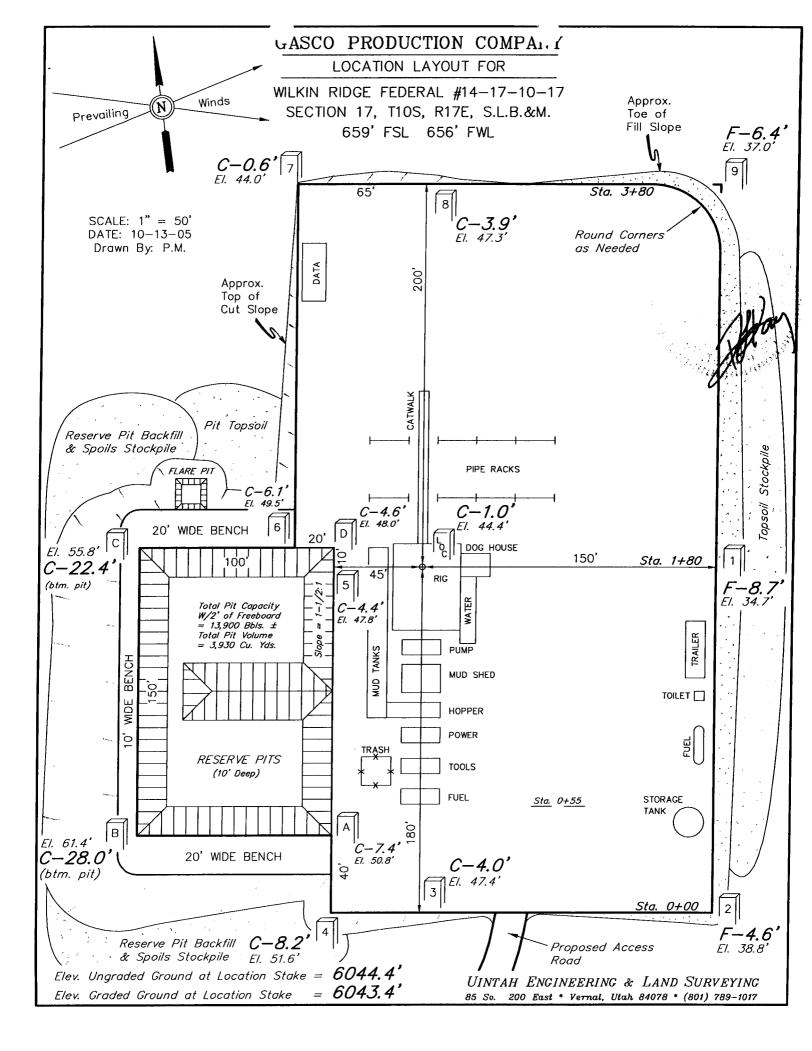
РНОТО

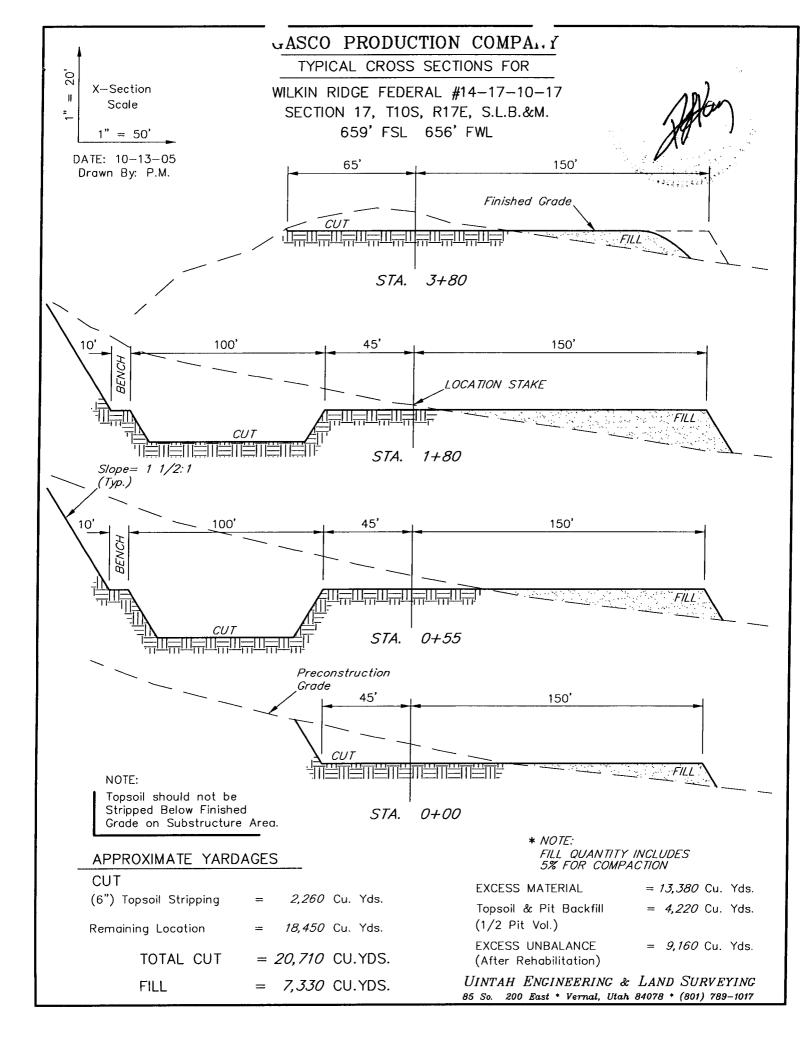












FEDERAL STIPULATIONS

Any wildlife stipulations that pertain to this lease will be attached as a Conditional of Approval by the Bureau of Land Management.



Archeology

A Class III Archeological Survey has been conducted by Grand River Institute.

A copy of this report will be submitted directly to the appropriate agencies by Grand River Institute.





Bureau of Land Management Vernal Field Office 170 S. 500 E. Vernal, UT 84078

Attn: Minerals

Re:

Gentlemen:

This letter is to inform you that Permitco Inc. is authorized to act as Agent and to sign documents on behalf of Gasco Production Company, a wholly owned subsidiary of Gasco Energy, Inc. when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned well.

It should be understood that Permitco is acting as Agent only in those matters stated above and is not responsible for drilling, completion, production or compliance with regulations.

Gasco Production Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above-mentioned well.

Yours yery truly,

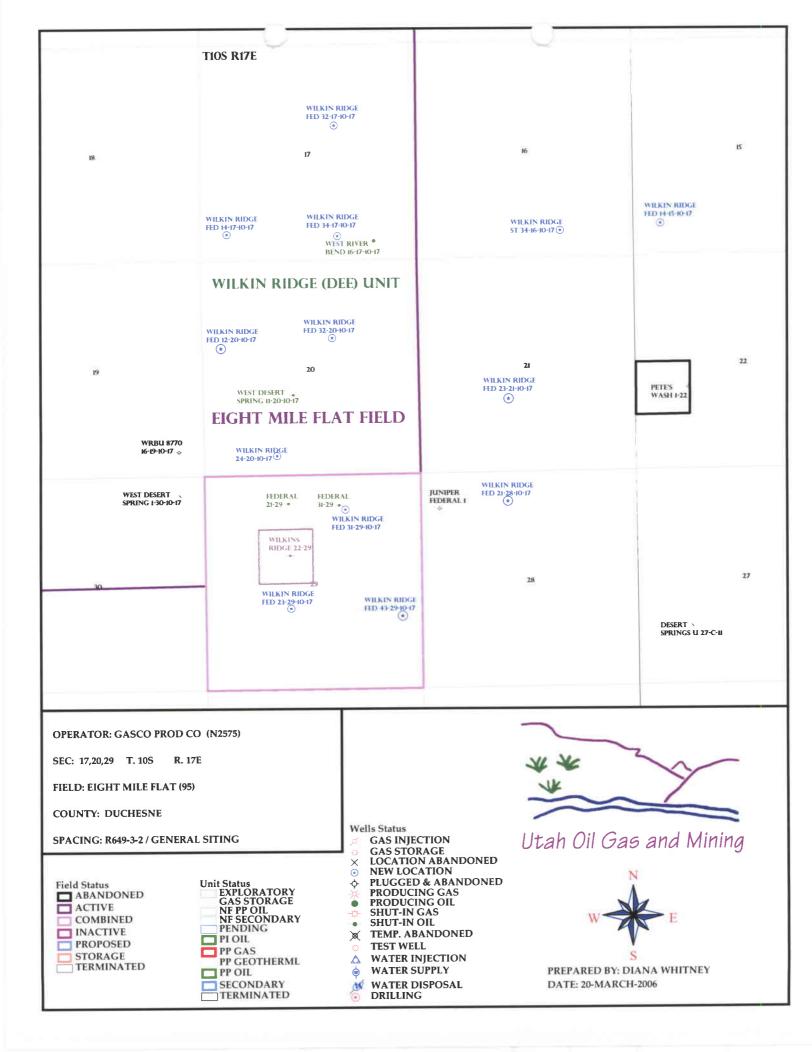
Mark J. Choury

6/J.SUO Energy, Inc. 14 Invernoss Drive East, Suite H-236 Engle wood, CO 80112-5525

Tel: (303) 483-0044 Fax: (303) 483-0011 Email: invest@gasccenergy.com Website: www.gascoenergy.com

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/13/2006	API NO. ASSIGNED: 43-013-33088
WELL NAME: WILKIN RIDGE FED 14-17-10-17 OPERATOR: GASCO PRODUCTION (N2575) CONTACT: LISA SMITH	PHONE NUMBER: 303-857-9999
PROPOSED LOCATION: SWSW 17 100S 170E	INSPECT LOCATN BY: / / Tech Review Initials Date
SURFACE: 0659 FSL 0656 FWL BOTTOM: 0659 FSL 0656 FWL	Tech Review Initials Date Engineering
COUNTY: DUCHESNE LATITUDE: 39.93847 LONGITUDE: -110.0366	Geology
UTM SURF EASTINGS: 582311 NORTHINGS: 4421162	Surface
FIELD NAME: EIGHT MILE FLAT (95) LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-75082 SURFACE OWNER: 1 - Federal	PROPOSED FORMATION: BLKHK COALBED METHANE WELL? NO ATION AND SITING:
	R649-2-3. t: WILKIN RIDGE DEEP R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No: Eff Date: Siting: R649-3-11. Directional Drill
STIPULATIONS: 1. Lecial Outproved 2. Spacing Stap	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office

P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

April 19, 2006

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2006 Plan of Development Wilkin Ridge Unit, Duchesne and

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Wilkin Ridge Unit, Duchesne County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Blackhawk)

43-013-33088 WR Fed 14-17-10-17 Sec 17 T10S R17E 0659 FSL 0656 FWL 43-013-33087 WR Fed 32-20-10-17 Sec 20 T10S R17E 1923 FNL 2076 FEL 43-013-33097 WR Fed 12-20-10-17 Sec 20 T10S R17E 2151 FNL 0464 FWL 43-013-33096 WR Fed 23-21-10-17 Sec 21 T10S R17E 1796 FSL 2178 FWL 43-013-33099 WR Fed 14-04-11-17 Sec 28 T10S R17E 0709 FNL 2115 FWL 43-013-33125 WR Fed 11-29-10-17 Sec 29 T10S R17E 0802 FNL 0516 FWL 43-013-33124 WR Fed 11-17-10-17 Sec 17 T10S R17E 0463 FNL 0816 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Wilkin Ridge Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron



State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER **Executive Director**

Division of Oil, Gas & Mining

> JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

April 20, 2006

Gasco Production Company 8 Inverness Drive East, Suite 100 Englewood, CO 80112

Re: Wilkin Ridge Federal 14-17-10-17 Well, 659' FSL, 656' FWL, SW SW, Sec. 17, T. 10 South, R. 17 East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33088.

Sincerely,

Gil Hunt

Associate Director

mf **Enclosures**

Duchesne County Assessor cc:

Bureau of Land Management, Vernal District Office

Operator:	Gasco Production Company			
Well Name & Number Wilkin Ridge Federal 14-1			7	
API Number:	43-013-			
Lease:	UTU-7	5082		
Location: SW SW	Sec. 17	T. 10 South	R. 17 East	

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL. GAS AND MINING

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FORM 9

	DIVISION OF OIL, GAS AND MINING		UTU-75082			
SUNDRY	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:					
00		7. UNIT OF CA AGREEMENT NAME:				
Do not use this form for proposals to drill n drill horizontal le	m-hole depth, reenter plugged wells, or to ich proposals.	Wilkin Ridge				
1. TYPE OF WELL OIL WELL	1. TYPE OF WELL OIL WELL GAS WELL OTHER					
2. NAME OF OPERATOR:		-	Wilkin Ridge Fed 14-17-10-17 9. API NUMBER:			
Gasco Production Compa	ny		4301333088			
3. ADDRESS OF OPERATOR: 8 Inverness Dr E, Ste 100	Englewood	PHONE NUMBER: (303) 483-0044	10. FIELD AND POOL, OR WILDCAT: Wildcat			
4. LOCATION OF WELL	SHATE CO THE BOTTE	2 (303) 463-0044	vviideat			
FOOTAGES AT SURFACE: 659' F	SL & 656' FWL		COUNTY: Duchesne			
QTR/QTR, SECTION, TOWNSHIP, RAN	GE, MERIDIAN: SWSW 17 10S 17E		STATE:			
			UTAH			
	ROPRIATE BOXES TO INDICATE NA		RT, OR OTHER DATA			
TYPE OF SUBMISSION		TYPE OF ACTION				
✓ NOTICE OF INTENT		DEEPEN	REPERFORATE CURRENT FORMATION			
(Submit in Duplicate)		RACTURE TREAT	SIDETRACK TO REPAIR WELL			
Approximate date work will start:		IEW CONSTRUCTION	TEMPORARILY ABANDON			
		PERATOR CHANGE	TUBING REPAIR			
		LUG AND ABANDON	☐ VENT OR FLARE			
SUBSEQUENT REPORT (Submit Original Form Only)		LUG BACK	WATER DISPOSAL			
Date of work completion:		RODUCTION (START/RESUME)	WATER SHUT-OFF			
		ECLAMATION OF WELL SITE	✓ OTHER: Extend Permit			
	CONVERT WELL TYPE R	ECOMPLETE - DIFFERENT FORMATION				
12. DESCRIBE PROPOSED OR CO	MPLETED OPERATIONS. Clearly show all pertinent	details including dates, depths, volume	s, etc.			
Gasco Production Compa 2007)	ny would like to request a one year exte	ension on this APD from the	e date it is due to expire (April 20,			
	A	municad birdha				
	Ap	proved by the ah Division of				
	On, v	Gas and Mining				
		011 11 -0				
	Date:	CXT-16-0-40				
	_	8 (V) (VI)				
	By:	Discharge	A SENTIO OPERATOR			
		/ //	4.7.5			
		112	RIM			
NAME (PLEASE PRINT) Beverly W	alker	Engineering Tech				
SIGNATURE / Necla 1	uhlk	DATE 4/12/2007				
SIGNATURE DELLA CELLA CE	MILLE	DATE 4/12/2007				

(This space for State use only)

RECEIVED

APR 1 6 2007

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

Well Name: Wilkin Ridge Federal 14-17-10-17
Location: SW SW Section17-T10S-R17E Duchesne County
Company Permit Issued to: Gasco Production Company
Date Original Permit Issued: 4/20/2007
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes□No☑
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑No□
1) 11 1/2 1/2007 4/12/2007
Signature Date
Title: Engineering Technician
Representing: Gasco Production Company

RECEIVED
APR 1 6 2007

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL GAS AND MINING

DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75082						
SUNDRY NOTICES AND REPORTS ON WELLS	NA						
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reer drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME: Wilkin Ridge						
1. TYPE OF WELL OIL WELL GAS WELL 🗹 OTHER	8. WELL NAME and NUMBER: Wilkin Ridge Fed 14-17-10-17						
2. NAME OF OPERATOR:	9. API NUMBER:						
Gasco Production Company 3. ADDRESS OF OPERATOR: IPHON	4301333088 E NUMBER: 10. FIELD AND POOL, OR WILDCAT:						
	3) 483-0044 Wildcat						
4. LOCATION OF WELL FOOTAGES AT SURFACE: 659' FSL & 656' FWL	соинту: Duchesne						
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 17 10S 17E	STATE: UTAH						
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF I	NOTICE, REPORT, OR OTHER DATA						
TYPE OF SUBMISSION TYPE (DF ACTION						
NOTICE OF INTENT	REPERFORATE CURRENT FORMATION						
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL						
Approximate date work will start: CASING REPAIR NEW CONSTRUCT	TON TEMPORARILY ABANDON						
CHANGE TO PREVIOUS PLANS DPERATOR CHAN	GE TUBING REPAIR						
CHANGE TUBING PLUG AND ABAND	ON VENT OR FLARE						
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK (Submit Original Form Only)	WATER DISPOSAL						
Date of work completion: CHANGE WELL STATUS PRODUCTION (ST.	ART/RESUME) WATER SHUT-OFF						
COMMINGLE PRODUCING FORMATIONS RECLAMATION OF	WELL SITE OTHER: Extend Permit						
CONVERT WELL TYPE RECOMPLETE - DI	FFERENT FORMATION						
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including	dates, depths, volumes, etc.						
Gasco Production Company would like to request a one year extension on t 2008)	his APD from the date it is due to expire (April 20,						
Approved by the							
Approved by the Utah Division of							
Oil, Gas and Mining							
,g							
Date: 01-15-06/							
By: State of the s	COPY SENT TO OPERATOR						
by.	Date: 4 · 15 · 2008						
	Initials:						
NAME (PLEASE PRINT) Beverly Walker	ingineering Tech						
C / / //							
SIGNATURE SIGNATURE DATE 4	/9/2008						

(This space for State use only)

RECEIVED
APR 1 4 2008

Application for Permit to Drill Request for Permit Extension Validation (this form should accompany the Sundry Notice requesting permit extension)

API:	4301333088					
Well Name:	Wilkin Ridge Feder					
Location:		110S-R17E Duchesne Coun	•			
	Permit Issued:	Gasco Production Compa	ny			
Date Original	rennit issueu.	4/20/2000				
above, hereby	verifies that the i	legal rights to drill on information as submitimains valid and does				
Following is a overified.	checklist of some	e items related to the a	application, which should be			
•	rivate land, has then updated? Yes		d, if so, has the surface			
-	Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☑					
	•	er agreements put in p roposed well? Yes⊡I	olace that could affect the No⊠			
	•	to the access route inc proposed location? Ye	cluding ownership, or right- s ☐ No ☑			
Has the approv	ed source of wa	ter for drilling change	d? Yes□No☑			
	ire a change in p	_	e location or access route iscussed at the onsite			
Is bonding still	in place, which c	covers this proposed v	vell? Yes☑No□			
- 1 h Declar 1	(4/9/2008			
Signature	J MilMa		Date			
Title: Engineeri	ng Technician					
Representing:	Gasco Production	Company	_			

Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM Al	PPROVED
OMB No.	1004-0136

Expires November 30, 2000

5. Lease Serial No.

N/A

UTU-75082 6. If Indian, Allottee or Tribe Name

APPLICATION	FOR	PERMIT	TO DRILL	OR R	PEN	JTFR.

the state of the s		CHEROLO SESSION ATTOO				
1a. Type of Work: X DRILL	☐ REENTER	REC		Unt or CA Agreen Ilkin Ridge	nent, Name and	No.
		MUA		ase Name and Wel	l No.	
b. Type of Well: Oil Well X Gas Well	Other Y	Single Zone Multipl	1 7 2004	ilkin Ridge Fed		0-17
2. Name of Operator 303-483-004		ess Drive East, Suite #1		PI Well No.	ioral ii i i i i	
Gasco Production Company		od, CO 80112	42	N13	32088	
3. Name of Agent 303-857-999		ounty Road 10	10. Fi	ield and Pool, or Ex	xploratory	
Permitco Inc Agent		oton, CO 80621		ilkin Ridge		
4. Location of Well (Report location clearly and in a				ec., T., R., M., or E	3lk, and Survey	or Area
At surface 659' FSL and				ection 17, T10	-	
At proposed prod. zone SW SW	2 000 T 11 E				•, =	
14. Distance in miles and direction from nearest town	or post office*		12. C	ounty or Parish	13. State	
Approximately 24.4 miles southeast of	Myton, UT		D D	uchesne	UT	
15. Distance from proposed*		f Acres in lease 17. Sp	acing Unit dedicated			
location to nearest property or lease line, ft.	59'					
(Also to nearest drig. unit line, if any)		1276.52	40 /	Acres: SW SW		
 Distance from proposed location* to nearest well, drilling, completed, 	19. Propo	osed Depth 20. BI	M/BIA Bond No. or	n file	···	
	350'	13,400'	_			
		44	Bon	d No. UT-1233	**	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Appr	oximate date work will start	* 23. E	stimated duration		
6044' GL		ASAP		35 Da	avs	
	24	Attachments ()	MEINEATT	ALTICHT	"HAIF	
The following, completed in accordance with the requ			e attached to this for	m:	A 4 No. P. Sout States	
The following, completed in accordance with the requ	mements of Outstold On t	1	diamonou to unis for	144.		
Well plat certified by a registered surveyor.		4. Bond to cover the	operations unless co	wered by an existin	ng hand on file (cee
A Drilling Plan.		Item 20 above).	operations unless co	vered by all existin	ig bond on the (,00
3. A Surface Use Plan (if the location is on National)	Forest System Lands 1	5. Operator certification	'n			
SUPO shall be filed with the appropriate Forest Se		6. Such other site spec		or plans as may be	e required by the	
	· · · · · · · · · · · · · · · · · · ·	authorized office.		or praise at many or		
					•	
25. Signature	! Na	me (Printed/Typed)	(1.111)	¦ Da	te	
Venessa Fargnache		the state of the s	_angmacher		11/11/2005	j
Title	· ·					
Authorized Agent for Gasco Production					· · · · · · · · · · · · · · · · · · ·	
Approved by (Signature)		me (Printed/Typed)		1 Pa	10V 05	200
My Hand		JERRY KENCZKA		11	101 00	LUU
Title Assistant Field Manager	ļOfi		nd god too the took on the			
Lands & Mineral Resources		VERNAL FIL	lu uttige			
Application approval does not warrant or certify that	he applicant holds legal o	r equitable title to those righ	its in the subject leas	e which would ent	itle the applican	t to
conduct operations thereon.						

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department of representations of fraudulent statements or representations of the statements of representations of the statements of representations of the statements of the statement of the statements of

United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED

NOV 1 2 2008

NOTICE OF APPROV

Conditions of approval, if any, are attached.



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

VERNAL FIELD OFFICE VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Gasco Production Company Location: SWSW, Sec. 17, T10S, R17E Well No: Wilkin Ridge Federal 14-17-10-17 Lease No: UTU-75082 Agreement: Wilkin Ridge Unit

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
		Fax: (435) 781-3420	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- Surface Conditions of Approval or monitoring are listed in the Surface Use Plan of the APDs.
- The operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. On BLM administered land, it is required that a Pesticide Use Proposal be submitted, approved and a permit issued prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- A timing restriction on construction and drilling (including completion) from March 1 June 30, is
 in order to protect sage grouse lek nesting habitat.
- If it is anticipated that construction or drilling would occur during the given timing restrictions for sage grouse a BLM or qualified biologist shall be notified so surveys could be conducted. Depending upon the results of the survey, permission to proceed may or may not be recommended or granted (depending on the species being surveyed and the condition of the habitat).
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee will submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the Best Management Practice of the reshaping of the pad to the original contour to the extent possible; the re-spreading of the top soil up to the rig anchor points; and, reseeding the area using appropriate reclamation methods.

The interim seed mix for reclamation will be:

Hy-crest Crested Wheatgrass	Agropyron cristatum	4 lbs per acre
Indian Rice Grass	Oryzopsis hymenoides	4 lbs per acre
Needle and Threadgrass	Stipa comata	4 lbs per acre

Following well plugging and abandonment, the location, access roads, pipelines, and other
facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original
contour; the top soil re-spread over the surface; and, the surface re-vegetated. The surface of
approved staging areas where construction activities did not occur may require disking or
ripping and reseeding.

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- A surface casing shoe integrity test shall be performed.
- Production casing cement top shall be at a minimum of 200' above the surface casing shoe.
- A Cement Bond Log (CBL) shall be run from TD to the base of the surface casing.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the
 daily drilling report. Components shall be operated and tested as required by Onshore Oil &
 Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be
 performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be
 reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water
 is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM.
 Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person

making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM,
 Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum
 Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

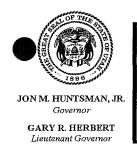
- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written
 communication and must be received in this office by not later than the fifth business day
 following the date on which the well is placed on production. The notification shall provide, as a
 minimum, the following informational items:
 - o Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will
 be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be
 reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major
 Events" will be reported in writing within 15 days. "Minor Events" will be reported on the
 Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

Well: Wilkin Ridge Federal 14-17-10-17

12/4/2007

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field
 Office Petroleum Engineers will be provided with a date and time for the initial meter calibration
 and all future meter proving schedules. A copy of the meter calibration reports shall be
 submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API
 standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All
 measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted
 to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs
 first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be
 adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively
 sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
 lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of
 a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval
 may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior
 approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30
 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given
 before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 4, 2009

Gasco Production Company 8 Inverness Dr. East, Ste. 100 Englewood, CO 80112

Re: APD Rescinded - Wilkin Ridge Fed 14-17-10-17, Sec. 17 T. 10S, R. 17E

Duchesne County, Utah API No. 43-013-33088

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on April 20, 2006. On April 16, 2007 and on April 15, 2008 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 4, 2009.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Masor

Environmental Scientist

cc: Well File

Bureau of Land Management, Vernal



Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVE

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS OCT 2 6 2010					UTU75082	6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No.	
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.				6. If Indian, Allottee of			
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agre UTU81153X		
1. Type of Well					8. Well Name and No.		
Oil Well Gas Well Other					WILKIN RIDGE F	WILKIN RIDGE FEDERAL 14-17-10-1	
Name of Operator Contact: JESSICA BERG GASCO PRODUCTION COMPANY E-Mail: jberg@gascoenergy.com					9. API Well No. 43-013-33088-00-X1		
3a. Address 8 INVERNESS DRIVE EAST, ENGLEWOOD, CO 80112-5	3b. Phone No. Ph: 303-996	(include area co 3-1805	ode)	le) 10. Field and Pool, or Exploratory WILKIN RIDGE			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish,	11. County or Parish, and State	
Sec 17 T10S R17E SWSW 659FSL 656FWL					UINTAH COUNTY, UT		
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE :	NATURE O	F NOTICE	E, REPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION		— — — — — — — — — — — — — — — — — — —	N				
Notice of Intent	☐ Acidize	□ Deep	□ Deepen □ Pr		eduction (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	☐ Fracture Treat ☐ Rec		clamation	☐ Well Integrity		
☐ Subsequent Report	☐ Casing Repair	■ New Construction		□ Red	Recomplete 🔀 Other		
☐ Final Abandonment Notice	Change Plans	Plug and Abandon		□ Ter	Temporarily Abandon Change t		
13. Describe Proposed or Completed Opposed in to domain the state of the proposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed or Completed Opposed in the state of the proposed in the state of the stat	Convert to Injection			ter Disposal			
determined that the site is ready for find Gasco Production Company with due to expire, 11/7/2010.		year extension			date it is VERNAL FIELD OFF ENG. RLH 11/29/		
		1481			GEOL.		
				E.S	3		
				PET	ET		
					RECL		
14. I hereby certify that the foregoing is	true and correct. Electronic Submission # For GASCO PRonitted to AFMSS for proces	ODUCTION CIDI	MPANY, sent	to the Ver	nal		
Name (Printed/Typed) JESSICA BERG			Title AUTHORIZED REPRESENTATIVE				
Signature (Electronic S	ubmission)	1	Date 10/26	/2010			
	THIS SPACE FO	R FEDERAL	OR STATE	OFFICE	USE		
A	1/1/	T	acting	JAF	mian:	, 12/10/30, Date	
Approved By Approved Difference of Second Differenc	Lasen	<u></u>	Title	(and	+11 uneral	Date /	
conditions of approval, if any, are attached ertify that the applicant holds legal or equi which would entitle the applicant to condu-	itable title to those rights in the ct operations thereon.	subject lease	Office	! !ma!	Field Poll	1). ur 0)	
itle 18 U.S.C. Section 1001 and Title 43 UStates any false, fictitious or fraudulent st	J.S.C. Section 1212, make it a tatements or representations as	crime for any pers to any matter with	son knowingly a nin its jurisdiction	and willfully	to make to any department or	agency of the United	

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **
CONDITIONS OF APPROVAL ATTACHED

Send Email

From:

robinhansen@blm.gov

To:

jberg@gascoenergy.com

CC:

Subject:

Well WILKIN RIDGE FEDERAL 14-17-10-17

Message:

The sundry for Change to Original APD you submitted has been approved by the BLM. Your original EC transmission was assigned ID 95835. Please be sure to open and save all attachments to this message, since they contain important information.

Extension approved until 11/6/2012 No other extensions will be approved.

Attachments:

EC95835.pdf

Approved By:

NAOMI HATCH

ACTING, AFM FOR MINERAL RESOURCES

Status:

Sent

2010-12-06 14:05:11



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078
http://www.blm.gov/ut/st/en/fo/vernal.html



September 10, 2013

IN REPLY REFER TO: 3160 (UTG011)

Tom Rogers Gasco Production Company 7979 Tufts Ave., Suite 1150 Denver, CO 80237

43 013 33088

Re:

Notice of Expiration

Well No. Wilkin Ridge 14-17-10-17

SWSW, Sec. 17, T10S, R17E

Uintah County, Utah Lease No. UTU-75082

Dear Mr. Rogers:

The Application for Permit to Drill (APD) for the above-referenced well was approved on November 6, 2008. A two (2) year extension of the original APD was requested. The request was reviewed and the extension approved until November 6, 2012. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka Assistant Field Manager Lands & Mineral Resources

The second second

SEP 2 0 2013

cc: UDOGM

bcc: Well File

I&E Asst.

DIV. OF OIL, GAS & MINING